

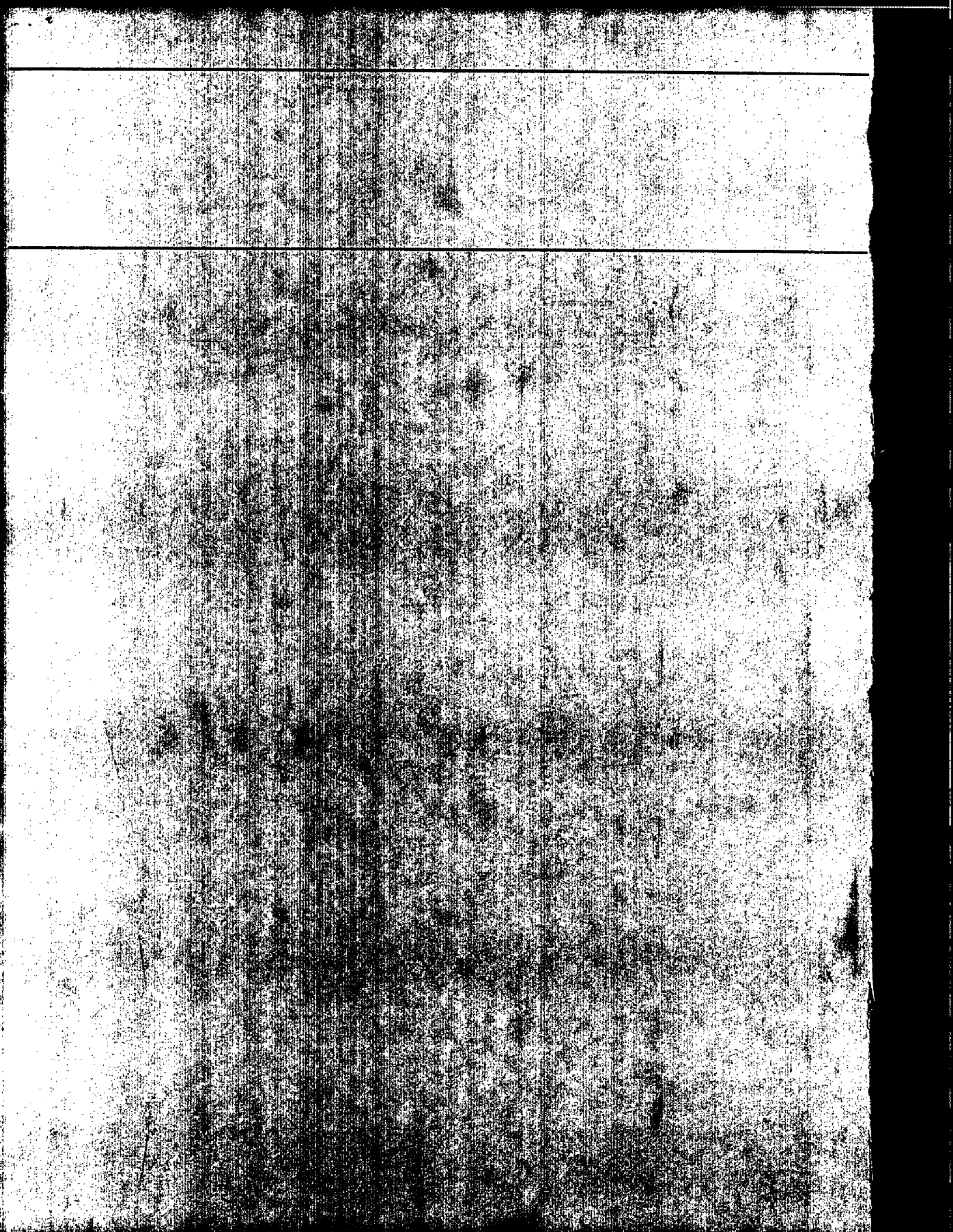
January 1994

PROMOTING DEMOCRACY

Foreign Affairs and Defense Agencies Funds and Activities—1991 to 1993



068 8061/50549



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-255845

January 4, 1994

The Honorable Lee H. Hamilton
Chairman
The Honorable Benjamin A. Gilman
Ranking Minority Member
Committee on Foreign Affairs
House of Representatives

The Honorable Howard L. Berman
Chairman, Subcommittee on International Operations
Committee on Foreign Affairs
House of Representatives

The Honorable Gary L. Ackerman
Chairman, Subcommittee on Asia and the Pacific
Committee on Foreign Affairs
House of Representatives

This report responds to your or your predecessor's request that we compile an inventory of U.S. government-funded programs aimed at democratic development. Specifically, you requested this information, on a geographical basis, for each of fiscal years 1991 to 1993 for the Agency for International Development (AID), the Department of Defense (DOD), the Department of State, the National Endowment for Democracy (NED), and the U.S. Information Agency (USIA). You also requested that we identify legislation authorizing U.S. assistance for democratic development.

This report provides a general overview of these organizations' funding and activities or purposes. However, it should be noted that there is no central U.S. governmentwide democracy program, no overall statement of U.S. policy regarding U.S. objectives and strategy for democratic development, no specific and common definition of what constitutes a democracy program, and no specificity regarding the roles of the foreign affairs and defense agencies in promoting democratic processes.

Individually, the agencies have diverse purposes or activities supporting democratic processes. The information in this report on these activities is what the agencies considered to be their support of democratic processes.¹

Results in Brief

According to the involved agencies, assistance for democratic development increased from \$682 million in 1991 to \$736 million in 1992, to \$900 million in 1993. These figures do not include U.S. contributions to the United Nations or its peacekeeping activities. While assistance increased to each of the geographic regions except for Africa, the largest increase was for Europe, with the changing conditions in Eastern Europe and the new independent states of the former Soviet Union.

Table 1 shows funding for democratic development by agency and table 2 by region. Because the information is not precise, all amounts are rounded to the nearest million. Also, amounts for fiscal year 1993 were not firm in some instances.

Table 1: Funds by Agency

Then-year dollars in millions			
Agency/region	1991	1992	1993
Agency for International Development			
Africa	\$31	\$55	\$56
Americas	100	101	118
Asia	20	15	15
Europe	22	43	95
Near East	7	7	8
Other ^a	1	3	5
Subtotal	\$182	\$225	\$296
Department of Defense			
Africa	\$85	\$39	\$27
Europe	0	0	6
Other ^b	2	3	4
Subtotal	\$87	\$42	\$37
Department of State ^c			
Africa	\$14	\$14	\$15
Americas	15	16	17
Asia	11	12	13
Europe	13	17	22
Other	80	84	88
Subtotal	\$133	\$143	\$155

(continued)

¹This information is more definitive for some agencies than for others because not all of them have consolidated information or a means for readily compiling information on their activities aimed at democratic development. Consequently, some agencies provided estimates of their activities. Also, AID and USIA officials indicated that democracy support was inherent in other of their activities that were not specifically identified as being for the promotion of democracy.

Then-year dollars in millions

Agency/region	1991	1992	1993
National Endowment for Democracy			
Africa	\$3	\$3	\$3
Americas	4	4	5
Asia	3	3	3
Europe	6	8	9
Middle East	1	1	1
Other	9	10	8
Subtotal	\$25	\$28	\$29
U.S. Information Agency			
Africa	\$35	\$40	\$49
Americas	68	74	74
East Asia and Pacific	38	41	50
Europe	87	110	168
Near East and South Asia	28	33	42
Subtotal	\$255	\$298	\$383
Total	\$682	\$736	\$900

Note: Subtotals may not add because of rounding.

*"Other" includes amounts not limited to one region.

*This represents the Expanded International Military Education and Training Program, which has not been allocated to specific regions.

*State contributions to United Nations organizations are additional to amounts in this table.

Table 2: Funds by Region

Then-year dollars in millions				
Region/agency	1991	1992	1993	
Africa				
AID	\$31	\$55	\$56	
DOD	85	39	27	
NED	3	3	3	
State	14	14	15	
USIA	35	40	49	
Subtotal	\$168	\$151	\$150	
Americas				
AID				
NED	\$100	\$101	\$118	
State	4	4	5	
USIA	15	16	17	
	68	74	74	
Subtotal	\$187	\$195	\$214	
Asia ^a				
AID	\$27	\$22	\$23	
NED	4	4	4	
State	11	12	13	
USIA	66	74	92	
Subtotal	\$108	\$112	\$132	
Europe				
AID	\$22	\$43	\$95	
DOD	0	0	6	
NED	6	8	9	
State	13	17	22	
USIA	87	110	168	
Subtotal	\$128	\$178	\$300	
Other ^b				
AID	\$1	\$3	\$5	
DOD	2	3	4	
NED	9	10	8	
State	80	84	88	
Subtotal	\$92	\$100	\$105	
Total	\$682	\$736	\$900	

Note: Totals may not add because of rounding.

^a"Asia" includes Asia and the Near East for AID, Asia and the Middle East for NED, and East Asia and Pacific and the Near East and South Asia for USIA.

^b"Other" includes amounts not limited to one region.

For AID, the amounts represent the program costs of projects or parts of projects indicated as having democracy-related objectives when they were programmed (administrative costs would be additional).

For DOD, the amounts represent activities that officials indicated were democracy related although some appear to be only indirectly so, and there may be other unidentified activities.

For State, there were no discrete democracy-related programs, but State officials allocated an estimated percentage of its salaries and expenses to promoting democracy. State's contributions for United Nations' activities are additional. For example, in fiscal year 1993 State contributed almost \$1.7 billion, including \$731 million for peacekeeping operations, to the United Nations and its affiliated agencies. According to State officials, as much as half of this amount could be attributed to support of democratization if peacekeeping activities are included; however, if peacekeeping costs are not considered, then about 1 to 2 percent of the remainder could be attributed to democracy support (or about \$10 to \$20 million).

For NED, because of its focus on democracy, the amounts represent its entire expenditures.

For USIA, the amounts represent USIA's allocation of a part of its total funds including administrative expenses to democratic development. The allocation was done where possible on the basis of the percentage of projects identified as being democracy related.

The following legislation authorizes U.S. assistance for democratic development:

- Foreign Assistance Act of 1961, as amended;
- International Security Assistance and Arms Export Control Act of 1978;
- National Endowment for Democracy Act (1983);
- The Asia Foundation Act (1983);
- International Security and Development Cooperation Act of 1985;
- Support for East European Democracy (SEED) Act of 1989;
- Urgent Assistance for Democracy in Panama Act of 1990;
- National and Community Service Act of 1990; and
- FREEDOM Support Act (1992).

Other related legislation includes the United States Information and Educational Exchange Act of 1948, as amended, and the Mutual Educational and Cultural Exchange Act of 1961, as amended, and related acts under which USIA operates.

Appendix I contains more information on the agencies' activities and amounts and how they were compiled; appendix II contains more information on legislation authorizing assistance for democratic development.

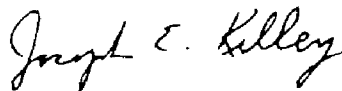
Scope and Methodology

We had discussions with agency officials and obtained information that they considered relevant to their democratic development activities. Thus, the activities and amounts in this report are those identified by the agencies. We also researched legislation authorizing activities that promote democratic development. We conducted our work from February to September 1993 in accordance with generally accepted government auditing standards.

As you requested, we did not obtain agency comments on this report. However, we discussed a draft of this report with program officials of the Departments of State and Defense, the Agency for International Development, the U.S. Information Agency, and the National Endowment for Democracy. They generally concur with the information presented in the report. We incorporated their specific comments where appropriate.

We are sending copies to other interested congressional committees; the Secretaries of State and Defense; the Administrator of the Agency for International Development; and the Directors of the U.S. Information Agency, the National Endowment for Democracy, and the Office of Management and Budget. We also will make copies available to others on request.

Please contact me on (202) 512-4128 if you or your staffs have any questions concerning this report. Major contributors to this report are identified in appendix III.



Joseph E. Kelley
Director-in-Charge
International Affairs Issues

Contents

Letter	1
--------	---

Appendix I	10
Democracy	11
Promotion Activities	14
of U.S. Agencies	19
	21
	22

Appendix II	26
Legislation	26
Authorizing	26
Democracy	26
Supporting Activities	27
	27
	28
	28
	28
	28
	29
	29
	29

Appendix III	31
Major Contributors to This Report	

Related GAO Products	32
----------------------	----

Tables	
Table 1: Funds by Agency	2
Table 2: Funds by Region	4
Table I.1: AID Funds	12
Table I.2: Description of AID Activity Line Items	13
Table I.3: DOD Funds	15
Table I.4: State Funds	20
Table I.5: USIA Funds	24

Democracy Promotion Activities of U.S. Agencies

While there is no common definition of assistance for democratic development, there is a degree of commonality among the activities generally considered as contributing to the development of democratic processes. For example, a May 1992 synthesis of efforts to define, refine, and implement the Agency for International Development's (AID) democracy initiative, prepared by an AID contractor, states that

"there are a variety of definitions of democracy and democratic development; however, the differences among definitions are less striking than are their commonalities. To be democratic, a society requires a high degree of personal and political freedoms, the institutional basis to conduct free and fair elections, an openness to competition for political power, and the ability of elected officials to obtain meaningful political power."¹

In response to an April 1993 National Security Council request for information on democracy promotion activities, the State Department provided other agencies a list of similar purposes or activities as a guide for identifying relevant activities, as follows:

- civic education;
- civic organization;
- civic-military relations;
- conflict prevention/resolution;
- ethnic, racial, and religious diversity programs;
- human rights education and training;
- information exchange;
- legislative training/development;
- media training and development;
- political party development;
- public administration development;
- rule of law;
- support for elections/election reform; and
- trade union development.

We asked officials at AID, the Department of Defense (DOD), the Department of State, the National Endowment for Democracy (NED), and the U.S. Information Agency (USIA) to give us information on their democratic development activities. This information is summarized in the following sections.

¹A.I.D. and Democratic Development: A Synthesis of Literature and Experience, Michele Wozniak Schimpp, May 1992, Agency for International Development, Center for Development Information and Evaluation.

Abbreviations

AID	Agency for International Development
CINC	Commander-in-Chief
DOD	Department of Defense
EUCOM	European Command
IMET	International Military Education and Training
NED	National Endowment for Democracy
SEED	Support for East European Democracy
USIA	U.S. Information Agency

Agency for
International
Development

AID administers U.S. foreign economic assistance programs in more than 80 countries. It sponsors programs supporting economic and policy reforms that generate employment and human development, promote economic growth, encourage political freedom, reduce population growth, respond to disasters, and strengthen infrastructures and institutions.

Since 1990, AID has been emphasizing its role in democratic development. A September 1990 AID Mission Statement explicitly cited support for democracy as one of its guiding principles. In December 1990, AID announced a "Democracy Initiative," calling for AID to focus its "experience, skills, and resources explicitly to help promote and consolidate democracy" throughout the world; AID's direct support of activities has ranged from the conduct of elections to the administration of justice, enhanced participation of beneficiaries in development programs, and the management of municipal government. In November 1991, AID issued a policy statement, "Democracy and Governance," which provided a statement of AID's democracy program and articulated basic objectives and principles to guide future implementation. In 1993, the new AID Administrator announced that democracy was one of the four fundamental areas where AID would concentrate its programs.

Table I.1 shows AID's democratic development assistance for fiscal years 1991 to 1993 based on its system for classifying projects by objective. These amounts include projects devoted entirely to democratic development and portions of other projects having a democratic development component. Table I.2 provides AID's description of each of the line items.

Appendix I
Democracy Promotion Activities of U.S.
Agencies

Table I.1: AID Funds

Then-year dollars in millions

Activity	1991	1992	Est. 1993
Accountability of the executive	\$6	\$7	\$12
Civic education	11	19	21
Civil society	30	60	66
Democratic initiatives (other)	38	0	0
Electoral assistance	10	30	35
Free flow of information	15	13	22
Human rights	6	18	24
Leadership training	^a	8	17
Legal and judicial development	^a	52	67
Legislative assistance	25	^a	^a
Representative political institutions	^a	17	33
Rule of law	41	^a	^a
Total	\$182	\$225	\$296

Note: Totals may not add because of rounding.

^aThis activity description was not used this year.

Source: Prepared from information provided by AID.

Appendix I
Democracy Promotion Activities of U.S.
Agencies

Table I.2: Description of AID Activity Line Items

Activity	Description
Accountability of the executive	Strengthening financial and managerial accountability, such as improving and integrating financial management systems.
Civic education	Promoting formal and non-formal education in the rights and responsibilities of citizens in a democracy and in democratic forms, practices, and values.
Civil society	Strengthening the capacity of civic groups, labor organizations, business and professional associations, and other non-governmental advocacy groups to articulate and represent their members' interests.
Democratic initiatives (other)	Activities not otherwise accounted for.
Electoral assistance	Strengthening electoral systems and processes, such as educating and registering voters.
Free flow of information	Strengthening the free flow of information on public issues.
Human rights	Strengthening awareness of and adherence to internationally recognized human rights, such as independent monitoring of human rights performance, education programs, and protection of ethnic, religious, and cultural minorities and women.
Leadership training	Teaching democratic values and leadership skills.
Legal and judicial development	Strengthening legal and judicial systems, such as improving legal education, reforming judicial systems, and supporting an independent judiciary.
Representative political institutions	Enhancing the professionalism of legislators; strengthening legislative research, analysis, and drafting capabilities; and strengthening accountability of municipal and local governments.
Rule of law	Strengthening judicial systems, law enforcement agencies, and penal systems to improve the timeliness and fairness of the criminal justice system and to reform legal and constitutional systems.

Examples of Democratic Initiatives

The following are some examples of AID's democratic initiatives:

- In Mali, \$1.1 million for conducting voter education through the Malian media; training education workers; assisting in procuring office items; and designing election items such as ballot boxes and ballots.
- In Nicaragua, \$5 million for (1) developing a curriculum for democratic education, (2) training teachers to develop model classroom activities for teaching democracy, (3) training one democracy teacher for every Nicaraguan school, (4) developing civic education texts and teaching

- materials, and (5) creating a fund for making matching grants of up to \$50,000 to media enterprises to improve their journalistic performance.
- In Mozambique, \$3 million for conducting an election planning needs assessment, helping to define a general election strategy, and developing a plan to implement the strategy.
 - In Panama, \$138,000 for conducting seminars on developing collective bargaining objectives and strategies, union organizing, and internal union organization.
 - In Africa, \$1 million for (1) conducting pre-election diagnostic surveys; (2) providing technical assistance and training in conducting elections, registering voters, and training poll workers and election officials; (3) procuring election supplies and equipment; and (4) establishing a fund for small judicial training programs, human rights and elections monitoring, and dissemination of human rights and democracy information.
 - In Colombia, \$6.5 million for helping redefine judicial organization roles, modifying legal codes and other legislation, establishing a judicial information system in the Judicial School and financing studies for the Ministry of Justice, and expanding the training of judges and other court personnel.

Department of Defense

A number of DOD programs may contain some aspect of democratic development, but most of its programs are primarily to promote military-to-military contacts in foreign countries. DOD officials indicated that positive contacts with host-country militaries help to promote a positive military role in democratization and in establishing respect for human rights.

In July 1993, DOD established the Office of the Assistant Secretary of Defense for Democracy and Peacekeeping. Although the content and type of activities it is to conduct have not been clearly established, the Office is to develop, coordinate, and oversee the implementation of policy and plans for matters related to the promotion of democracy and democratic values.

Office of Democracy personnel identified the activities listed in table I.3 as having democratic development elements. The table does not include amounts for some activities that were to be undertaken after fiscal year 1993 or for which funding information was not available. The degree to which the activities are democracy related vary from a large extent for the Expanded International Military Education and Training program to

Appendix I
Democracy Promotion Activities of U.S.
Agencies

occasional individual projects for the area Commander-in-Chief (CINC) and the Nunn-Lugar initiatives. All of the activities are further discussed in the sections following the table.

Table I.3: DOD Funds

Then-year dollars in millions			
Activity	1991	1992	Est. 1993
Military-to-military initiative in Africa:			
African regional military assistance	\$26	\$9	\$15
African democracy support program	59	30	12
CINC and Nunn-Lugar initiatives including humanitarian/civic assistance	^a	^a	^a
Expanded International Military Education and Training Program	2	3	4
George C. Marshall Center for Security Studies	^b	^b	^b
Military-to-military/joint contact teams	^c	^c	6
Professional military education exchanges	^d	^d	^d
Total	\$87	\$42	\$37

^aAs a whole these initiatives are not democracy related, but on occasion they do fund some democracy-related activities.

^bActivities were to be undertaken after fiscal year 1993.

^cThe program started in September 1992.

^dFunding information was not available.

Source: Prepared from information provided by DOD.

**Military-to-Military
initiatives in Africa**

Programs making up military-to-military initiatives in Africa include the Regional Military Assistance Program and the Democracy Support Program. The objectives of the Regional Military Assistance Program do not indicate that its aim is to promote democracy; however, a DOD official stated that all projects conducted in Africa are considered to be democracy-building programs because they improve military and civilian relations, benefit the civilian population, and ultimately support economic reform—all of which enhance democratic reform. The program has three components. The Military Civic Action component provides material and technical assistance to African militaries engaging in construction programs directly benefiting the civilian populace, such as roads and small

clinics. The African Coastal Security component assists African navies to patrol their economic zones more effectively and enforce environmental protection regulations. The Military Health Affairs component provides medical equipment and supplies to African militaries for use in civilian and military communities. This program was about \$26 million in fiscal year 1991, \$9 million in 1992, \$15 million in 1993, and \$25 million has been proposed for 1994.

The Africa Democracy Support Program provides funds to advance political pluralism in Africa, to assist constitutional development and international monitoring of free and fair elections, to assist both new and established democracies faced with destabilizing economic emergencies, and to support economic reform programs. This program was about \$59 million in 1991, \$30 million in 1992, \$12 million in 1993, and \$20 million has been proposed for 1994.

Additionally, \$15 million of the annual foreign military financing funds for Africa for fiscal years 1991 to 1993 were to be used for the Africa Biodiversity Program, which provides funds to protect African natural resources.

CINC and Nunn-Lugar Initiatives

DOD's Office of Democracy personnel identified the CINC and Nunn-Lugar initiatives as being democracy related, but DOD officials responsible for the initiatives said that as a whole the initiatives are not democracy-related; however, on occasion they do fund some democracy-related activities.

The CINC Initiative Fund (10 U.S.C. 166a) was established to enhance U.S. war-fighting capabilities and to support low-cost/high-benefit one-time projects that extend aid to a country to accomplish U.S. military objectives and security interests. But humanitarian and civil assistance and military education and training have also been supported (e.g., repairing schools and health clinics in Panama, providing human rights training to the Peruvian military, and building roads and schools in Honduras).²

The Nunn-Lugar Initiative (22 U.S.C. 5851) authorizes assistance for defense conversion and for expanded military-to-military contacts with states of the former Soviet Union. Military-to-military exchanges include providing U.S. assistance to facilitate the safe transportation, storage, and

²See Department of Defense: Changes Needed to the Humanitarian and Civic Assistance Program (GAO/NSIAD-94-57, Nov. 2, 1993) for a discussion of the management of humanitarian and civic assistance activities, some of which are funded from other sources.

destruction of nuclear, chemical, and other weapons in the former Soviet Union.

Expanded International
Military Education and
Training Program

Although the Secretary of State is responsible for supervision and general direction of the International Military Education and Training (IMET) Program, the Defense Security Assistance Agency, within the DOD, implements the program. The IMET Program was established to enhance relations between the United States and foreign countries by training potential military leaders and to support U.S. foreign policy and national security objectives by providing access to and influence upon foreign defense establishments.³

In 1991, the Congress expanded IMET education opportunities to include civilian leaders because of the changing world situation. The resulting program is known as "Expanded IMET." The Congress further broadened the program beginning in fiscal year 1993 to authorize training to members of national legislatures responsible for oversight and management of the military. The training for civilians is expected to contribute to responsible defense resource management; foster greater respect for, and understanding of, the principle of civilian control of the military; and improve military justice systems and procedures in accordance with internationally recognized human rights.

Since 1991, DOD has provided additional courses and refined the existing curriculum to better reflect the increased emphasis on resource management, military justice systems, and human rights.

About 675 students, including about 150 civilians, from 66 countries were scheduled to participate in the Expanded IMET program during fiscal year 1993. DOD spent about \$1.5 million in fiscal year 1991, \$3.4 million in 1992, and \$3.7 million in 1993 on this program.

George C. Marshall Center
for Security Studies

In 1993, DOD established the George C. Marshall Center for Security Studies at Garmisch, Germany, as an element of the European Command (EUCOM). DOD officials estimate that \$15 million plus instructional costs will be needed annually to operate the center, which is scheduled to begin classes in late 1994. The Marshall Center's mission is to foster

³We have issued several reports on IMET. For example, see *Security Assistance: Observations on the International Military Education and Training Program* (GAO/NSIAD-90-215BR, June 14, 1990) and *Security Assistance: Observations on Post-Cold War Program Changes* (GAO/NSIAD-92-248, Sept. 30, 1992).

understanding and cooperation on defense matters in the context of political democracy, human rights and freedoms, and free enterprise economy. It is also to provide defense education through conferences, seminars, and other information exchange activities to civilian and military personnel of the United States and of European nations and the new independent states of the former Soviet Union.

DOD's Democracy Office personnel indicated that the Marshall Center may be used as a model for similar centers in Asia and the Americas; however, DOD and the respective countries have yet to approve the establishment of such centers.

Military-to-Military/Joint Contact Teams

The Military-to-Military/Joint Contact Team Program operates in Central and Eastern Europe, the former Soviet Union, and the Baltic under the CINC/EUCOM. The program provides military liaison teams and sustainment liaison teams of U.S. personnel to assist in the transition to democracy. According to DOD, this effort assists the armed forces of the emerging democracies to develop into positive, constructive elements of democratic societies that are apolitical, respect human rights, and adhere to the rule of law.

The first military liaison team was established in Hungary in September 1992, with follow-on teams in Albania, the Baltic, Bulgaria, Czech Republic, Poland, Romania, and Slovakia. The team helps Ministry of Defense personnel to identify areas that need restructuring. The military liaison team works in the host country for 1 year. Then, a sustainment liaison team takes over.

In the first phase of its operations, the sustainment liaison team provides information to Ministry of Defense personnel on democracy, civilian control of the military, and budget development. In the second phase, host-country and U.S. personnel are expected to exchange assignment duties.

In fiscal year 1993, EUCOM provided \$6 million for the military-to-military/joint contact program from the CINC Initiative Fund. However, this fund only covers the first-year costs of initiatives, and other funding sources are needed for future years. EUCOM estimates that fiscal year 1994 costs will be \$9.5 million for the military liaison teams and \$14.6 million for the sustainment liaison team.

Professional Military Education Exchanges

Under international agreements, foreign military personnel attend U.S. military institutions, such as the Army Command and General Staff College, without charge. The agreements provide for the exchange of U.S. and foreign students on a reciprocal basis. The program is relatively small in size (only about 10 foreign students participated in the Army's program in fiscal year 1992) and is designed to improve the professionalism and education of both U.S. and foreign military officers. Further, the program also encourages the use of democratic principles and institutions for foreign military officers. Tuition costs are reciprocally waived, but student support costs, such as transportation and housing, are paid by the sponsoring country. In fiscal year 1992, the Navy and the Air Force spent about \$104,000 to send three officers to Latin American countries to attend training courses.

Department of State

State's democracy-promotion activities include conducting diplomatic initiatives and exercising statutory authority for program direction or for assisting in administering programs funded by other agencies. Its initiatives also include contributions to The Asia Foundation. As with other agencies, however, State's budget is not allocated by programs such as democracy promotion; consequently, it cannot identify precise amounts spent on democracy promotion.

State anticipates tracking democracy promotion more precisely in the future. If the Congress approves, State's Bureau of Human Rights and Humanitarian Affairs will be redesignated as the Bureau of Democracy, Human Rights, and Labor. This new bureau would be responsible for coordinating U.S. government policy and programs for democracy promotion abroad. A Deputy Assistant Secretary would head the Bureau's Democracy office, which would monitor government resources allocated to democracy promotion and chair an interagency working group on democracy to coordinate U.S. government activities.

Table I.4 shows State's allocation to democracy promotion of a percentage of its salaries and expenses and its pass-through appropriations for The Asia Foundation. State officials estimated the percent of staff time (at home and overseas) associated with democracy promotion and applied this percentage against its salaries and expenses. The staff-time estimate varied by bureau from 5 to 50 percent, which equated overall to slightly less than 7 percent of all salaries and expenses for 1993. State estimated that 75 percent of The Asia Foundation's appropriation went for democracy-promotion activities.

Appendix I
Democracy Promotion Activities of U.S.
Agencies

Table I.4: State Funds

Then-year dollars in millions			
Activity	Est. 1991	Est. 1992	Est. 1993
Africa Affairs	\$14	\$14	\$15
Central and Eastern Europe	9	11	13
Humanitarian Affairs	2	2	2
Inter-American Affairs	15	16	17
Newly Independent States	4	6	9
Other bureaus	78	82	86
The Asia Foundation	11	12	13
Total	\$133	\$143	\$155

Source: Prepared from information provided by State.

State contributions to United Nations organizations are additional to amounts in table I.4. State provides funds for 25 percent of the costs of the United Nations regular budget, for about 30 percent of the costs of its peacekeeping activities, and for variable percentages of its programs that are financed primarily by voluntary contributions. In fiscal year 1993, State contributed almost \$1.7 billion, including \$731 million for peacekeeping operations, to the United Nations and its affiliated agencies. According to State officials as much as half of this amount could be attributed to support of democratization if peacekeeping activities are included. But if peacekeeping costs are not attributed to democracy support, then only about 1 to 2 percent of the remainder could be attributed to democracy support (i.e., \$10-20 million of the remaining \$1 billion U.S. contribution).

According to State officials, some United Nations' non-peacekeeping programs or activities that support democracy are:

- Crime Prevention and Criminal Justice Branch,
- Development Program,
- Division for the Advancement of Women,
- Drug Control Program,
- Educational, Scientific, and Cultural Organization,
- Electoral Assistance Unit,
- Human Rights Center, and
- International Labor Organization.

Further, State officials indicated that some portion of State's expenditures on international narcotics matters (\$150 million in 1991 and \$148 million in

1992 and in 1993) and on anti-terrorism activities (a total of \$27 million in 1991 and 1992 and \$16 million in 1993) could arguably be attributed to democracy promotion; however, State did not allocate amounts to democracy support.

In addition to its direct expenditures and pass-through appropriations, State officials indicated that programmatic costs of democracy-promotion projects either funded from State's budget, under its statutory directions, or partially administered by its personnel were about \$42 million in 1991, \$130 million in 1992, and \$163 million in 1993. State's information shows that these activities were funded by AID and USIA, and it is not apparent that any State programmatic funds were involved. Therefore, these amounts are not included in table I.4. The following are indicative of these activities.

- State has responsibility for policy direction for the use of FREEDOM Support Act funds and for Support for East European Democracy (SEED) Act funds (see app. II for a summary of these acts). Democracy-promotion activities include supporting an independent media, democratic governance, rule-of-law, strengthening civil societies, and people-to-people exchanges.
- State has provided a general policy framework for AID's democratic initiatives in Latin America and the Caribbean. AID projects have dealt with administration of justice, elections, civil-military relations, legislatures, journalism, public administration, and civic education.
- State provided a general policy framework for AID's democratization projects in sub-Saharan Africa. Embassy personnel have administered Democracy and Human Rights Fund projects when AID missions were not present. State also has participated with AID in providing oversight for the Africa Regional Electoral Assistance Fund projects.

National Endowment for Democracy

NED was established as a private, nonprofit organization in 1983 to encourage and strengthen the development of democratic institutions and processes internationally through private-sector initiatives. NED receives an annual grant, funded through the USIA's appropriations. NED information shows that it spent about \$25 million in fiscal year 1991, \$28 million in 1992, and \$29 million in 1993. NED no longer classifies its use of funds by kinds of activity.

NED makes grants to private sector organizations in the United States and abroad that carry out democracy-building activities in priority countries.

Grantee private sector organizations include the Free Trade Union Institute of the AFL-CIO, the Center for International Private Enterprise of the U.S. Chamber of Commerce, the National Democratic Institute for International Affairs, and the International Republican Institute. Grants are made to these organizations for activities in the fields of labor, business, and political party development. NED also provides grants to other nongovernmental U.S. and overseas organizations that carry out activities such as civic education, independent media, human rights, and rule of law. Examples of NED-funded activities include:

- In Hungary, \$413,000 was to be used by the Democratic League of Free Trade Unions and the Hungarian Workers Council for publication of newsletters, staff travel, per diem, and educational seminars.
- In Azerbaijan, \$126,000 was provided for a training program to strengthen and professionalize political parties.
- In the Ukraine, \$91,000 was given to the Ukrainian Free Economy Foundation to provide information about the transition to a democratic market-based economy to entrepreneurs and to key policymakers.
- In China, \$130,000 was provided to continue publication of a Chinese language quarterly magazine that promotes the evolution of China toward an open and democratic society.

U.S. Information Agency

USIA is responsible for the U.S. government's overseas information and cultural programs, including the Voice of America. It conducts activities, such as academic and cultural exchanges to press, radio, television, film, seminar, library, and cultural center programs abroad, to strengthen foreign understanding of American society, obtain greater support of U.S. policies, and increase understanding between the United States and other countries. USIA officials estimate that almost one-third of its activities support democratic development.

A strategic goal, according to a 1991 USIA policy statement, is to project and encourage democratic principles and institutions worldwide. According to the statement, "Given the Agency's long-standing engagement in support of democratic trends in the world, the scope of its human, institutional, and technical resources, and its strong links with the American and foreign private sectors, USIA will have a central role in fostering democracy building abroad. Such support for democratic principles by Agency exchanges and information programs advances central U.S. policy objectives."

In contrast to AID and NED, which use intermediaries to carry out their activities, USIA carries out most of its programs through direct interaction of its foreign service corps with leading overseas groups and individuals committed to the concept and practice of democratization. U.S. Information Service posts in 160 countries target audiences with print and electronic media, reference services, teaching English, training workshops, computer data bank links, and satellite systems. They make available information and advice on the full range of democratization issues, including the rule of law, free and independent media, free markets, public administration, democratic culture, and educational reform. They maintain an intellectual exchange with these countries through university and other institutional affiliation programs, seminars, book translation publication, and a full range of exchange programs, including Fulbright academic scholarship.

Notwithstanding these activities, USIA does not have a discrete democratic development program or a formal mechanism for identifying funds devoted to democratic development. USIA's democratic development program is based on its annual planning (country plan) process, wherein its field posts identify priority policy issues and significant educational and cultural concerns.

Using the country plan project priorities, USIA officials estimated amounts used to promote democracy for fiscal years 1991 to 1993 as shown in table I.5. These estimates were derived largely by determining the percentage of projects that were for democratization and closely related activities and applying this percentage to available funds.

Appendix I
Democracy Promotion Activities of U.S.
Agencies

Table I.5: USIA Funds

Then-year dollars in millions			
Activity	Est. 1991	Est. 1992	Est. 1993
Academic exchanges	\$33	\$36	\$54
Broadcasting to Cuba	31	37	29
East/West Center	4	2	5
International visitors	11	12	17
Miscellaneous ^a	2	12	31
North/South Center	2	1	3
Salaries and expenses direct ^b	120	122	165
Voice of America	51	76	80
Total	\$255	\$298	\$383

Note: Totals may not add because of rounding.

^aIncludes Muskie Fellows, Institute for Representative Government, Newly Independent States, and FREEDOM Support Act Funds.

^bIncludes post programming, area offices, training, home/leave training, administrative and policy support, education and cultural affairs, and television.

Source: Prepared from information provided by USIA.

Some examples of USIA's activities relating to democracy follow.

- The Voice of America broadcasts more than 1,000 hours a week in more than 40 languages. One program, Democracy in Action, is a 173-part series of 5-minute scripts carried on all language services. It features the comments of public officials and citizens as part of the democratic governing process.
- Under the "Professionals in Residence" program, American judges and legal experts have spent up to 6 months with the Ministries of Justice in Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, and Slovakia providing advice on constitutional and legal procedures. Experts in market economy and media and information issues have advised public and private sectors in a number of countries around the world.
- A grant to the National Committee on U.S.-China relations facilitated a U.S. visit for a delegation of Chinese mayors to learn about the pluralistic nature of the American political process.
- The Fulbright Academic Program provides grants to U.S. students, teachers, and scholars to study, teach, lecture, and conduct research overseas and to foreign nationals to engage in similar activities in the

United States to increase mutual understanding and peaceful relations between the people of the United States and of other countries.

- The International Visitors Program arranges programs for foreign leaders and potential leaders designed to develop and foster professional contacts with their colleagues in the United States and provide a broader exposure to American social, cultural, and political institutions. Thousands of national, regional, and local officials from around the world come to the United States under one of USIA's exchange programs each year to study the American system of government; the separation of powers; the development of responsive, democratic institutions; public financing; and other public policy questions.⁴

⁴Related GAO reports include: Exchange Programs: Inventory of International Educational, Cultural, and Training Programs (GAO/NSIAD-93-157BR, June 23, 1993) and U.S. Information Agency: Inappropriate Uses of Educational and Cultural Exchange Visas (GAO/NSIAD-90-61, Feb. 16, 1990).

Legislation Authorizing Democracy Supporting Activities

United States Information and Educational Exchange Act of 1948

The objectives of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431) are to enable the U.S. government to promote a better understanding of the United States in other countries and to increase mutual understanding between the people of United States and the people of other countries. These objectives are to be achieved through an information service to disseminate abroad information about the United States, its people, and policies promulgated by the Congress, the President, the Secretary of State, and other responsible officials of government having to do with matters affecting foreign affairs. Responsibilities under the act are administered by the U.S. Information Agency (USIA).

Mutual Educational and Cultural Exchange Act of 1961

The purpose of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451) is to enable the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange; to strengthen the ties that unite the United States with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural advancement; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world. Responsibilities under the act are administered by the USIA.

Foreign Assistance Act of 1961

The Foreign Assistance Act of 1961 (22 U.S.C. 2151) has had provisions relating to democratic political development for many years. For example, in 1966 title IX was added to the Foreign Assistance Act to emphasize "maximum participation in the task of economic development . . . through the encouragement of democratic private and local governmental institutions."¹ Similarly, the statement of development assistance policy, as amended in 1978, states that "maximum effort shall be made . . . to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local government activities and institution building . . ."² In the 1970s, a series of amendments highlighted human rights, both as an important

¹P.L. 89-583, Sec. 106, 80 Stat. 795 (1966).

²P.L. 95-424, Sec. 101, 92 Stat. 937 (1978).

element of U.S. government economic aid programs and as a consideration in providing assistance.

International Security Assistance and Arms Export Control Act of 1976

The International Security Assistance and Arms Export Control Act established the International Military Education Training program (22 U.S.C. 2347) to provide military education and training to military and related civilian personnel of foreign countries.

In 1991, the Congress amended the program to include the education of civilians in addition to those in the ministries of defense,³ and in 1993, to include among the civilians, members of national legislatures responsible for oversight and management of the military.⁴ Civilian personnel may be provided training if such training would

- contribute to responsible defense resource management,
- foster greater respect for and understanding of the principle of civilian control of the military, or
- improve military justice systems and procedures in accordance with internationally recognized human rights.

National Endowment for Democracy Act (1983)

The National Endowment for Democracy Act (22 U.S.C. 4411) authorizes grants by USIA to the National Endowment for Democracy (NED), a private, nonprofit organization, to encourage private sector support of democratic institutions in many areas of the world. NED may only provide funding to other private sector groups and may not carry out programs directly. NED's purposes are:

- to encourage free and democratic institutions throughout the world through private sector initiatives,
- to facilitate exchanges between United States private sector groups and democratic groups abroad,
- to promote United States nongovernmental participation in democratic training programs and democratic institution-building abroad,
- to strengthen democratic electoral processes abroad,
- to support democratic pluralism, and
- to encourage the establishment and growth of democratic development.

³P.L. 101-513, Title II, 104 Stat. 1997 (1990).

⁴P.L. 102-391, Title III, 106 Stat. 1633 at 1653 (1992).

The Asia Foundation Act (1983)

The Asia Foundation Act (22 U.S.C. 4401) established a mechanism for U.S. government financial support for the ongoing activities of The Asia Foundation, while preserving the independent character of the foundation. The act states that The Asia Foundation, a private nonprofit corporation incorporated in 1954, has long been active in promoting Asian-American friendship and cooperation and in lending encouragement and assistance to Asians in their own efforts to develop more open, just, and democratic societies. Funds are appropriated to the Department of State for grants to the foundation.

International Security and Development Cooperation Act of 1985

The International Security and Development Cooperation Act⁵ added section 534 to the Foreign Assistance Act of 1961. Section 534 authorizes assistance to strengthen the administration of justice in Latin America and Caribbean countries.

Support for East European Democracy (SEED) Act of 1989

The SEED Act authorized assistance for Poland and Hungary,⁶ but was later extended to other East European countries.⁷ Its purpose is "to promote political democracy and economic pluralism . . . by assisting those nations during a critical period of transition and abetting the development in those nations of private business sectors, labor market reforms, and democratic institutions; to establish, through these steps, the framework for composite program of Support for East European Democracy."

The 1992 annual report on the SEED Act states that 17 U.S. government agencies have been used to implement SEED programs through fiscal year 1992.

SEED Act appropriations were \$400 million for fiscal year 1993. Obligations were \$285.7 million in fiscal year 1990, \$387.1 million in 1991, and \$357.6 million in 1992. Of the over \$1 billion obligated for the 3 years, \$67.4 million was for strengthening democratic institutions, \$801.7 million for economic restructuring, \$152.7 million for improving the quality of life,

⁵P.L. 99-83, Sec. 712, 99 Stat. 190, 244 (1985).

⁶P.L. 101-179, Sec. 2, 103 Stat. 1298 (1989).

⁷"East European Country" for purposes of the SEED Act includes Albania, Bulgaria, the Czech and Slovak Federal Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that were part of the former Socialist Federal Republic of Yugoslavia (P.L. 102-511, Sec. 903(a), 106 Stat. 3320 at 3355 (1992)).

and \$8.6 million for miscellaneous activities. Thus, only 6.5 percent of the total obligations was categorized as strengthening democratic institutions.

The fiscal year 1993 appropriation act specified for SEED activities that priority shall be given to

- private sector development,
- technical assistance and training,
- democratic pluralism and the rule of law,
- environment and energy,
- agriculture and agribusiness, and
- housing, with an emphasis on technical assistance and training for the development of market-oriented housing policies.⁸

Urgent Assistance for Democracy in Panama Act of 1990

The Urgent Assistance for Democracy in Panama Act⁹ permitted training in areas such as human rights, civil law, and overall civilian law enforcement techniques. The act also permitted the Department of Defense, using prior year military assistance funds, to procure defense articles and related services for law enforcement forces in Panama. The act also authorized the use of certain funds to support the process of democratic transition in East European countries and Yugoslavia.

National and Community Service Act of 1990

The Exchange Program with Countries in Transition From Totalitarianism to Democracy, section 602 of the National and Community Service Act (22 U.S.C. 2452a), authorized the financing of exchanges with countries that are in transition from totalitarianism to democracy, such as Bulgaria, Czechoslovakia, Hungary, Poland, and Romania. Such exchanges could include studies, research, instruction, and visits by American and foreign citizens in the private sector and in government. The program is carried out pursuant to the Mutual Educational and Cultural Exchange Act of 1961 and coordinated by the USIA.

Freedom Support Act (1992)

The FREEDOM Support Act (22 U.S.C. 2295) authorized bilateral economic assistance for 13 kinds of activities, including democracy and free market systems, for the independent states of the former Soviet

⁸P.L. 102-391, 106 Stat. 1647 (1992).

⁹P.L. 101-243, Sec. 101(b), 104 Stat. 7 (1990).

Union.¹⁰ The democracy activities were to aid in establishing a democratic and free society by fostering

- political, social, and economic pluralism;
- respect for internationally recognized human rights and the rule of law;
- the development of institutions of democratic governance, including electoral and legislative processes;
- the institution and improvement of public administration at the national, intergovernmental, regional, and local level;
- the development of free and independent media;
- the development of effective control by elected civilian officials over, and the development of a nonpolitical officer corps in the military and security forces; and
- strengthened administration of justice through programs and activities.

Appropriations for fiscal year 1993 were \$417 million for FREEDOM Support Act activities.

¹⁰For purposes of the act, "the independent states of the former Soviet Union" are Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Major Contributors to This Report

ational Security and
ternational Affairs
vision, Washington,
C.

Charles A. Schuler, Assistant Director
Roy F. Hutchens, Evaluator-in-Charge
Frederick J. Barrett, Evaluator
Patricia A. Schiffhauer, Evaluator
Erica D. Roach, Intern

Related GAO Products

Department of Defense: Changes Needed to the Humanitarian and Civic Assistance Program (GAO/NSIAD-94-57, Nov. 2, 1993).

Foreign Assistance: Promoting Judicial Reform to Strengthen Democracies (GAO/NSIAD-93-149, Sept. 1, 1993).

Exchange Programs: Inventory of International Educational, Cultural, and Training Programs (GAO/NSIAD-93-157BR, June 23, 1993).

Foreign Assistance: Meeting the Training Needs of Police in New Democracies (GAO/NSIAD-93-109, Jan. 21, 1993).

Former Soviet Union: Assistance by the United States and Other Donors (GAO/NSIAD-93-101, Dec. 30, 1992).

El Salvador: Efforts to Satisfy National Civilian Police Equipment Needs (GAO/NSIAD-93-100BR, Dec. 15, 1992).

Security Assistance: Observations on Post-Cold War Program Changes (GAO/NSIAD-92-248, Sept. 30, 1992).

Foreign Assistance: Promising Approach to Judicial Reform in Colombia (GAO/NSIAD-92-269, Sept. 24, 1992).

Aid to El Salvador: Slow Progress in Developing a National Civilian Police (GAO/NSIAD-92-338, Sept. 22, 1992).

Poland and Hungary: Economic Transition and U.S. Assistance (GAO/NSIAD-92-102, May 1, 1992).

Foreign Assistance: Evaluation of Aid to the Hungarian National Assembly (GAO/NSIAD-92-13, Apr. 29, 1992).

Foreign Aid: Police Training and Assistance (GAO/NSIAD-92-118, Mar. 5, 1992).

Promoting Democracy: National Endowment for Democracy's Efforts to Improve Grant Management (GAO/NSIAD-92-89, Jan. 28, 1992).

Aid to Nicaragua: Status of U.S. Assistance to the Democratically Elected Government (GAO/NSIAD-91-183, May 1, 1991).

Promoting Democracy: National Endowment for Democracy's Management of Grants Needs Improvement (GAO/NSIAD-91-162, Mar. 14, 1991).

Eastern Europe: Status of U.S. Assistance Efforts (GAO/NSIAD-91-110, Feb. 26, 1991).

Eastern Europe: Donor Assistance and Reform Efforts (GAO/NSIAD-91-21, Nov. 30, 1990).

Human Rights: State Department's Commitment to Accurate Reporting Has Increased (GAO/NSIAD-90-224, Sept. 26, 1990).

Central America: Assistance to Promote Democracy and National Reconciliation in Nicaragua (GAO/NSIAD-90-245, Sept. 24, 1990).

Security Assistance: Observations on the International Military Education and Training Program (GAO/NSIAD-90-215BR, June 14, 1990).

U.S. Information Agency: Inappropriate Uses of Educational and Cultural Exchange Visas (GAO/NSIAD-90-61, Feb. 16, 1990).

Central America: Impact of U.S. Assistance in the 1980s (GAO/NSIAD-89-170, July 11, 1989).

Central America: Humanitarian Assistance to the Nicaraguan Democratic Resistance (GAO/NSIAD-89-152, June 1, 1989).

Promoting Democracy: The National Endowment for Democracy's Management of Grants Overseas (GAO/NSIAD-86-185, Sept. 24, 1986).

Central America: Problems in Controlling Funds for the Nicaraguan Democratic Resistance (GAO/NSIAD-87-35, Dec. 5, 1986).

Appendix I
Democracy Promotion Activities of U.S.
Agencies

**Table I.2: Description of AID Activity
 Line Items**

Activity	Description
Accountability of the executive	Strengthening financial and managerial accountability, such as improving and integrating financial management systems.
Civic education	Promoting formal and non-formal education in the rights and responsibilities of citizens in a democracy and in democratic forms, practices, and values.
Civil society	Strengthening the capacity of civic groups, labor organizations, business and professional associations, and other non-governmental advocacy groups to articulate and represent their members' interests.
Democratic initiatives (other)	Activities not otherwise accounted for.
Electoral assistance	Strengthening electoral systems and processes, such as educating and registering voters.
Free flow of information	Strengthening the free flow of information on public issues.
Human rights	Strengthening awareness of and adherence to internationally recognized human rights, such as independent monitoring of human rights performance, education programs, and protection of ethnic, religious, and cultural minorities and women.
Leadership training	Teaching democratic values and leadership skills.
Legal and judicial development	Strengthening legal and judicial systems, such as improving legal education, reforming judicial systems, and supporting an independent judiciary.
Representative political institutions	Enhancing the professionalism of legislators; strengthening legislative research, analysis, and drafting capabilities; and strengthening accountability of municipal and local governments.
Rule of law	Strengthening judicial systems, law enforcement agencies, and penal systems to improve the timeliness and fairness of the criminal justice system and to reform legal and constitutional systems.

**Examples of Democratic
 Initiatives**

The following are some examples of AID's democratic initiatives:

- In Mali, \$1.1 million for conducting voter education through the Malian media; training education workers; assisting in procuring office items; and designing election items such as ballot boxes and ballots.
- In Nicaragua, \$5 million for (1) developing a curriculum for democratic education, (2) training teachers to develop model classroom activities for teaching democracy, (3) training one democracy teacher for every Nicaraguan school, (4) developing civic education texts and teaching

- materials, and (5) creating a fund for making matching grants of up to \$50,000 to media enterprises to improve their journalistic performance.
- In Mozambique, \$3 million for conducting an election planning needs assessment, helping to define a general election strategy, and developing a plan to implement the strategy.
 - In Panama, \$138,000 for conducting seminars on developing collective bargaining objectives and strategies, union organizing, and internal union organization.
 - In Africa, \$1 million for (1) conducting pre-election diagnostic surveys; (2) providing technical assistance and training in conducting elections, registering voters, and training poll workers and election officials; (3) procuring election supplies and equipment; and (4) establishing a fund for small judicial training programs, human rights and elections monitoring, and dissemination of human rights and democracy information.
 - In Colombia, \$6.5 million for helping redefine judicial organization roles, modifying legal codes and other legislation, establishing a judicial information system in the Judicial School and financing studies for the Ministry of Justice, and expanding the training of judges and other court personnel.

Department of Defense

A number of DOD programs may contain some aspect of democratic development, but most of its programs are primarily to promote military-to-military contacts in foreign countries. DOD officials indicated that positive contacts with host-country militaries help to promote a positive military role in democratization and in establishing respect for human rights.

In July 1993, DOD established the Office of the Assistant Secretary of Defense for Democracy and Peacekeeping. Although the content and type of activities it is to conduct have not been clearly established, the Office is to develop, coordinate, and oversee the implementation of policy and plans for matters related to the promotion of democracy and democratic values.

Office of Democracy personnel identified the activities listed in table I.3 as having democratic development elements. The table does not include amounts for some activities that were to be undertaken after fiscal year 1993 or for which funding information was not available. The degree to which the activities are democracy related vary from a large extent for the Expanded International Military Education and Training program to